

ASX Announcement

30 January 2025

SciDev launches PFAS solution in Europe with first contracts

SciDev Ltd (ASX: SDV) ('**SciDev**' or '**the Company**') provides an update on its financial¹ and operational performance for the quarter ended 31 December 2024 (Q2 FY25).

Q2 FY25 Financial Highlights¹

- Total **Revenue** of \$23.8m, reflecting an extended, seasonal slowdown in market activity across the US Oil & Gas sector further impacted by industry uncertainty surrounding the US election.
- **Record product gross margin**, reflecting the continued shift toward higher-margin SciDev proprietary chemistries in both the Oil & Gas and mining markets.
- Underlying **EBITDA** of \$0.7m, reflecting the seasonal slowdown in the US oil & gas market and continued strategic investments in the Water Technologies business in Europe & North America.
- **Positive cash flow** from operations of \$0.9m.
- As at 31 December 2024, **cash and cash equivalents** of \$10.9m, up from \$10.2m on Q1 FY25.

1H FY25 Financial Highlights¹

- **Revenue** of \$49.9m, broadly in line with PCP revenue of \$50.3m.
- Underlying **EBITDA** of \$3.4m, up 6% on PCP, with positive operating cashflow of \$2.3m.

Q2 FY25 Operational Highlights

- Results were in line with expectations, reflecting the seasonal downturn in the US oil & gas sector, further impacted by industry uncertainty surrounding the US election. Post-quarter end, the recovery of market activity has been stronger than expected, with all clients resuming full operations.
- Despite this, half-year performance remained consistent with H1 FY24, highlighting underlying growth.
- Continued to make **strategic growth investments** across each business unit, reaffirming our commitment to scaling the business and capturing opportunities in key global markets, particularly in the rapidly growing European and North American PFAS treatment sector.

¹ All financial results are unaudited. All \$ are A\$ unless otherwise stated

SciDev Limited

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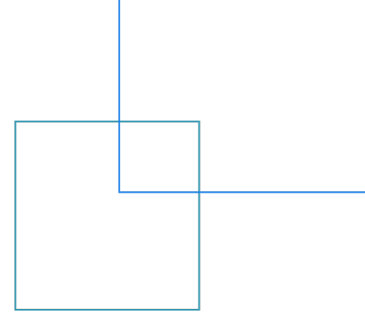
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- Achieved important milestones in the **European business** with the first contracts secured in Sweden and UK for PFAS treatment:
 - Commercial order with Swedish Hydro Solutions AB for a containerised PFAS treatment system for the first phase of a potential multi-phase project.
 - Secured a contract in January with a UK blue chip Oil & Gas customer for a containerised PFAS treatment system.
 - Successful completion of trial for a major Swedish aviation company for use of FluorofIX™ and RegenIX™ PFAS solutions.
- Secured an **18-month extension** to an existing build, own operate PFAS treatment contract for a blue-chip mining client in Western Australia.
- Secured a **CatChek™ field trial** with BPX, with the successful outcome of the trial expected to expand SciDev's footprint into a second operational basin.
- Successfully conducted plant trials of **MaxiFlox® chemistry** for two new mining clients in Western Australia, resulting in purchase orders to extend the trial.
- Continued our strategic investments in the rapidly growing European and North American water treatment sector.

SciDev CEO Seán Halpin said:

"Our results for the quarter were in line with expectations, reflecting the anticipated seasonal downturn in the US Oil & Gas sector. This forecasted slowdown was further impacted by uncertainty surrounding the US election.

"Whilst our half-year performance remained consistent with H1 FY24 results, we remain confident in continued growth during the second half of FY25, driven by improving market conditions in the oil and gas sector and anticipated policy decisions in the US that we expect to accelerate opportunities in both the Oil and Gas and PFAS treatment markets.

"A real highlight of the quarter was strengthening our market position in Europe. I'm pleased to report that following increasing interest in our world-leading FluorofIX™ and RegenIX™ technologies, we've secured our first commercial contracts in the region. In the coming months, SciDev PFAS treatment plants will be operational in Sweden and the UK. These early project wins demonstrate the growing recognition of our capabilities in tackling one of the world's most pressing environmental challenges.

"Europe is central to our strategic growth in water technologies. Entering the European PFAS market provides a springboard to launch our broader water technology services across the region, enabling us to address a water treatment market valued at US\$15.37 billion and projected to grow to US\$25.46 billion by 2031.

"During the quarter, we continued to make substantial reinvestments into future growth across each business unit. These investments underline our commitment to scaling our business and capturing opportunities in key global markets."

Financial Performance

SciDev delivered quarterly revenue from operations of \$23.8m, down 16% on the PCP. The reduced revenue was due to lower sales to Energy Services clients in the quarter and the phasing of Water Technologies projects. Following several successful trials, the Mining and Construction business is poised to benefit from higher revenue in 2HFY25.

Table 1: Revenue from operations by vertical (unaudited)

Sector	Q2 FY24 (A\$m)	Q1 FY25 (A\$m)	Q2 FY25 (A\$m)	% Change (vs PCP)
Water Technologies	5.4	4.2	5.6	4
Chemical Services	23.1	21.8	18.2	-21
- Mining & Construction	6.2	6.2	6.3	2
- Energy Services	16.9	15.6	11.9	-30
Total	28.5	26.0	23.8	-16

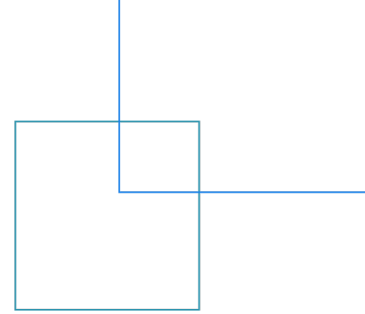
Quarterly positive cash flow from operations of \$0.9m with cash and cash equivalents on 31 December 2024 of \$10.9m with \$8.5m in inventory.

Payments to Directors and their associates for the quarter, \$96k, include fees paid to Non-executive Directors.

Operational Performance

Water Technologies

- Secured an 18-month, \$2.2m extension for the operation and maintenance of a PFAS water treatment facility with a blue-chip mining client in Western Australia.
- Successfully mobilised a water treatment plant to support the construction of a large infrastructure project in Sydney. Installation and commissioning will be completed in Q3, with a total contract value of \$5.6m.
- Secured a \$1.9m design contract to support a large mine rehabilitation project in Australia.
- Awarded a contract for the preliminary design of a third water treatment plant with a mining client in Western Australia.
- Secured first commercial order in Europe for PFAS treatment. The contract, valued at \$0.5m, is with Swedish Hydro Solutions AB for a containerised PFAS treatment system to remediate a contaminated landfill site in Northeast Sweden. Construction and installation of the plant were completed during the quarter.
- Post-period end, secured a contract with a UK blue-chip Oil & Gas customer for a containerised PFAS treatment system.



- Completed a pilot trial for a major Swedish aviation company for PFAS treatment.

Chemical Services

- Participated in multiple successful trials evaluating friction reducer performance with two blue-chip E&P companies in the Permian Basin.
- Continued development of SciDev's new FerriSlik™ friction reducer, designed for iron mitigation in formations with high levels of FeIII. The product will be available for field trials in Q3 FY25.
- Secured a field trial with a current blue-chip client, BPX, in a second region for the use of CatChek™.
- Received a new purchase order for MaxiFlox® flocculant to support a trial with a major mineral sands producer in South Australia, resulting in a successful trial and continued supply into the March 2025 quarter.
- Completed a successful six-week trial of MaxiFlox® chemistry with a Tier 1 gold producer in WA, with the opportunity for ongoing supply into 2025.
- First supply of MaxiFlox® super absorbent polymer to a major tunnel project in Victoria to assist with the ongoing management and treatment of tunnel spoil.
- Ongoing supply of MaxiDry® chemistry to a tunnel project in NSW. Supply will continue for the project's duration, expected to be completed by the December quarter of FY26.
- Continued investing in our sales team to support the growth of SciDev's Chemical Services division across all markets.

Outlook

SciDev CEO Seán Halpin said:

"In addition to strengthening our market position in Europe, we will, over the coming months, focus on securing our first water technologies contract in the US as a key pillar of our global growth strategy. We see significant opportunities across several sectors, including expanding our market share in international mining and increasing our footprint in the oilfield. Domestically, the growing awareness of PFAS as a critical environmental and human health issue presents a unique opportunity, especially with the tightening of drinking water regulations. With these initiatives underway, we are well-positioned to deliver a strong second half of FY25 and drive long-term, sustainable growth across our key markets."

For Further Information

Corporate

Seán Halpin – Chief Executive Officer

Anna Hooper – Chief Financial Officer

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The Board of SciDev Limited authorises this announcement.

About SciDev

SciDev is a leader in environmental solutions focused on water-intensive industries. Our solutions allow clients to reuse water, improve operational efficiencies and reduce their environmental footprints. We deliver world-leading chemistry and water treatment technology with end-to-end support from our specialist scientists and engineers.

SciDev works with clients across a range of industries, including Mining, Oil & Gas, Construction & Infrastructure and Water Treatment.

Appendix 4C
Quarterly cash flow report for entities
subject to Listing Rule 4.7B

Name of entity	
SciDev Limited	
ABN	Quarter ended ("current quarter")
25 001 150 849	31 December 2024

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(6 months)
			\$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	24,855	51,000
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(19,195)	(39,749)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(4,625)	(8,738)
	(f) administration and corporate costs	-	-
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(135)	(242)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	901	2,272

2	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	(2,379)
	(c) property, plant and equipment	(293)	(529)
	(d) investments	-	-
	(e) intellectual property	(17)	(19)
	(f) other assets	(2)	(256)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(312)	(3,183)
3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	3,000
3.6	Repayment of borrowings	(454)	(799)
3.7	Transaction costs related to loans and borrowings	(113)	(219)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(567)	1,982
4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	10,241	9,425
4.2	Net cash from / (used in) operating activities (item 1.9 above)	901	2,272
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(312)	(3,183)

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(567)	1,982
4.5	Effect of movement in exchange rates on cash held	686	453
4.6	Cash and cash equivalents at end of quarter	10,949	10,949

5	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	10,949	10,241
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,949	10,241

6	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	93
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Amount included in 6.1 comprises fees paid to Non-executive Directors and remuneration for the Managing Director and rent paid to a company associated with a Director.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.		
7.1	Bank facilities	9,800	2,800
7.2	Credit standby arrangements	-	-
7.4	Total financing facilities	9,800	2,800
7.5	Unused financing facilities available at quarter end		7,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
			Facility amount \$A'000
	Secured	%	Maturity date
	Bank Bill Business Loan - Facility A	6.33%	23/08/2027
	Bank Bill Business Loan - Facility B	6.33%	23/08/2027
	Bank Equipment Finance - Facility C	N/A	On demand
			2,800
			5,000
			2,000
			9,800
	Unsecured		
			9,800

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	901
8.2	Cash and cash equivalents at quarter end (Item 4.6)	10,949
8.3	Unused finance facilities available at quarter end (Item 7.5)	7,000
8.4	Total available funding (Item 8.2 + Item 8.3)	17,949
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	-
8.6	If Item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
	2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
	3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

By the board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

- 1 This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- 2 If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4 If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5 If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.